

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin**

**Basic Financial Statements and Management's  
Discussion and Analysis**

**March 31, 2005**

**With Independent Auditors' Report Thereon**

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin**

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# Child, Sullivan & Company

an occasional Corporation of CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report on Financial Statements and Supplementary Schedules

To the Board of Commissioners  
Myton City Housing Authority  
Myton, Utah

### PROFESSIONALS

Cami Carlson  
Kristina Chamberlain  
Rich Egan, CPA  
Keri Griffone  
Nathan Johanson  
John Larsen  
Shelly McNamee  
Natalie Murphy

We have audited the accompanying financial statements of the business-type activity and major fund of the Myton City Housing Authority (the Authority), as of and for the year ended March 31, 2005, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and major fund of the Authority as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Authority has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," as of September 30, 2004.

The management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Board of Commissioners  
Myton City Housing Authority

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2005, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedules I and II on pages 18 through 22 are presented for purposes of additional analysis, as required by the U.S. Department of Housing and Urban Development. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Child, Sullivan & Company*

Child, Sullivan & Company  
Kaysville, Utah  
October 5, 2005

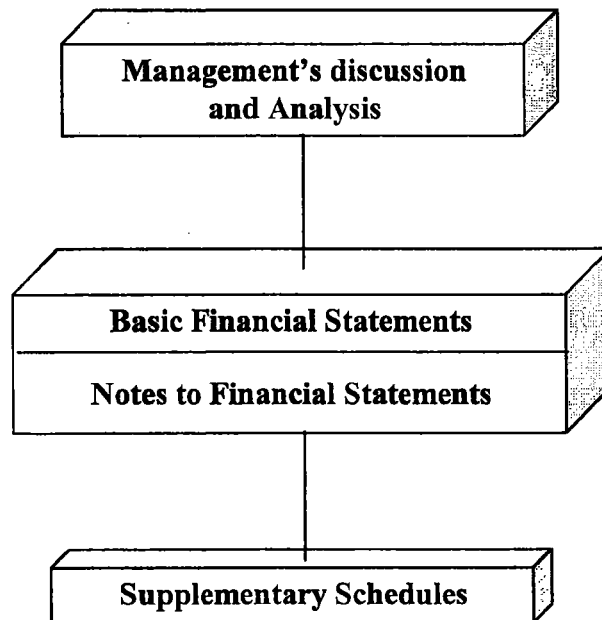
**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Management's Discussion and Analysis  
Year Ended March 31, 2005**

**INTRODUCTION**

The Myton City Housing Authority (the Authority) was created under the laws of the state of Utah, and certified by the United States Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs in the area under the Housing Act of 1937, as amended. The Federal Government subsidizes these programs by direct awards through HUD. The Authority is governed by a five-member board of commissioners, which is appointed by the City Mayor of Myton City. The Board, in turn, elects a Chairperson and employs an Executive Director to administer the affairs of the Authority.

The Authority presents this discussion and analysis of its financial performance during the fiscal year (FY) ended March 31, 2005, to assist the reader in focusing on significant financial issues and concerns. This discussion and analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999.

The Authority's FY2005 annual financial report consists of two parts – the management's discussion and analysis, and the basic financial statements (which include notes to those financial statements). Also included are supplementary schedules that show information that was sent to HUD related to our basic financial statements.



**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Management's Discussion and Analysis (continued)  
Year Ended March 31, 2005**

The basic financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the basic financial statements.

The primary focus of the Authority's financial statements is on a single business-type activity that combines all programs administered by the Authority. This discussion and analysis is focused on the primary activities of the Authority.

#### **FINANCIAL HIGHLIGHTS**

Under GASB Statement No. 34, the Authority's single business-type activity financial statements for FY2005 report on all of the Authority's assets, liabilities, revenues, expenses, and net assets under the programs it administers. A summary of the current-year results in comparison with the prior year results follows:

- Net assets of the Authority decreased \$794 as of March 31, 2005, from the prior year.
- Operating revenues of the Authority decreased by \$8,610, or 6.6%, over prior year results.
- Current liabilities increased by \$1,581 over the prior year.
- The increase in cash and cash equivalents for the year was \$584.

#### **AUTHORITY FINANCIAL STATEMENTS**

The Authority is presenting its FY2005 discussion and analysis based on the financial results of its enterprise program in three basic financial statements – the balance sheet; the statement of revenues, expenses and changes in net assets; and the statement of cash flows. The balance sheet reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net assets, formerly known as fund equity. Net assets are broken down into the following three categories:

- *Net assets, invested in capital assets, net of related debt* consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Management's Discussion and Analysis (continued)**  
**Year Ended March 31, 2005**

- *Restricted net assets* consists of assets that are restricted by constraints placed on the asset by external parties, such as creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net assets* consists of net assets that do not meet the definition of *net assets invested in capital assets, net of related debt or restricted net assets*.

The statement of revenues, expenses and changes in net assets (similar to an income statement) includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and nonoperating revenues and expenses, such as investment income and interest expense. The statement's focus is the change in net assets, which is similar to net income or loss.

Finally, a statement of cash flows is included, which discloses net cash provided by or used for operating activities, capital and related financing activities, and investing activities.

These financial statements utilize the economic resources measurement focus and the full accrual basis of accounting. They report the Authority's net assets and changes in net assets in full compliance with GASB Statement No. 34. Under the full accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period they are incurred.

The entity-wide presentation represents one different program and activity. This program is financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by management fees, and by investment income and loan proceeds. In FY2005, the following program makes up the Authority's single business-type activities financial statements:

- *Section 8 Housing Choice Vouchers* – This program is funded by HUD and is a subsidy program for low- and moderate-income families seeking housing in the private rental market.

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Management's Discussion and Analysis (continued)**  
**Year Ended March 31, 2005**

**Net Assets**

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

**Myton City Housing Authority**  
**Balance Sheet**

	2005	2004	Total Percentage Change
Current assets	\$ 6,423	\$ 5,636	14.0%
Fixed assets, net of depreciation	39,740	39,740	0%
Total assets	46,163	45,376	1.7%
Current liabilities	4,805	3,224	49.0%
Total liabilities	4,805	3,224	49.0%
Net assets:			
Invested in capital assets	39,740	39,740	0%
Unrestricted net assets	1,618	2,412	(32.9%)
Total net assets	\$ 41,358	\$ 42,152	1.9%

**Total Assets**

The Authority's total assets at March 31, 2005 were \$46,163, an increase of \$787, or 1.7%, from March 31, 2004.

**Current Liabilities**

Total current liabilities increased by \$1,581, 49.0%, in FY2005. The increase is due to the Authority receiving a prepayment from HUD for the vouchers program.

**Net Assets**

The Authority's net assets decreased by \$794, 1.9%, during FY2005. At March 31, 2005, investments in capital assets comprise about 96.1% of the Authority's total assets. The amount invested in capital assets, net of related debt, amounts to about 86.1% of total net assets.

The Authority's net assets also consist of unrestricted net assets. Unrestricted net assets would include cash in the bank, receivables, and other assets less all other liabilities not previously applied. At March 31, 2005, unrestricted net assets amounts to about 3.9% of total net assets.



**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Management's Discussion and Analysis (continued)**  
**Year Ended March 31, 2005**

**Revenues, Expenses and Changes in Net Assets**

The results of operations for the Authority are presented below:

Myton City Housing Authority  
Statement of Revenues, Expenses and Changes in Net Assets

	2005	2004	Increase/(Decrease) Amount	Percentage
Operating revenues:				
HUD PHA operating grants	\$ 122,087	\$ 130,697	\$ (8,610)	6.6%
Total operating revenues	<u>122,087</u>	<u>130,697</u>	(8,610)	6.6%
Operating expenses:				
Administration	24,358	26,315	(1,957)	(7.4%)
Housing assistance payments	98,571	104,488	(5,917)	(5.7%)
Total operating expenses	<u>122,929</u>	<u>130,803</u>	(7,874)	(6.0%)
Operating gain/(loss)	<u>(842)</u>	<u>(106)</u>	(736)	(694.3%)
Nonoperating revenues/(expenses):				
Interest income	48	57	(9)	(15.8%)
Other income	-	140	(140)	(100.0%)
Nonoperating expenses, net	<u>48</u>	<u>197</u>	(149)	(75.6%)
Change in net assets	<u>\$ (794)</u>	<u>\$ 91</u>	\$ (612)	(672.5%)

Operating revenues of the Authority's activities are generated principally from HUD PHA operating grants. In FY2005, the Authority's revenues for its activities totaled \$122,087, of which is from HUD PHA operating grants. Operating expenses of the Authority's activities consist primarily of housing assistance payments. Operating expenses total \$122,929, of which \$98,571, or about 80.2%, was for housing assistance payments.

About 0.04% of the Authority's total revenues in FY2005 were nonoperating revenues that are derived from interest income. The remaining 99.96% were operating revenues derived from HUD PHA operating revenues (99.96%).

The operating expenses are derived from administration (19.8%) and housing assistance payments (80.2%).

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Management's Discussion and Analysis (continued)  
Year Ended March 31, 2005**

**CAPITAL ASSETS**

The Authority's capital assets as of March 31, 2005, included land, furniture and equipment that totaled \$39,740, most of which is comprised of land. Capital assets, net of depreciation, remained the same from the preceding year.

	2005	2004	Change
Land	\$ 39,740	\$ 39,740	\$ -
Furniture and equipment	843	843	-
Accumulated depreciation	(843)	(843)	-
Net fixed assets	<u>\$ 39,740</u>	<u>\$ 39,740</u>	<u>\$ -</u>

**CONTACTING AUTHORITY MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. Questions concerning this report or requests for additional financial information should be directed to the Executive Director, Myton City Housing Authority, 58 East 100 North, Roosevelt, Utah 84066.

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Balance Sheet  
March 31, 2005**

**ASSETS**

Current Assets:

Cash (Note 2)	\$ 3,925
Cash-PTIF (Note 2)	2,295
Accounts receivable	<u>203</u>

Total current assets 6,423

Fixed Assets:

Land	39,740
Furniture and equipment	<u>843</u>

Total fixed assets 40,583

Less: Accumulated depreciation (843)

Net fixed assets 39,740

Total assets \$ 46,163

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable	\$ 898
Accounts payable - HUD	<u>3,907</u>

Total liabilities 4,805

Net Assets:

Invested in capital, net of related debt 39,740

Unrestricted net assets 1,618

Total net assets 41,358

Total liabilities and net assets \$ 46,163

See accompanying notes to basic financial statement.

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended March 31, 2005**

<b>REVENUES</b>	
Federal subsidies	\$ 122,087
Total revenues	<u>122,087</u>
<b>EXPENSES</b>	
Administrative expenses	24,358
Housing assistance payments	<u>98,571</u>
Total expenses	<u>122,929</u>
Operating income	(842)
Non-operating income	
Interest income	<u>48</u>
Total non-operating income	<u>48</u>
Change in net assets	(794)
Net assets at beginning of year	42,152
Net assets at end of year	<u><u>\$ 41,358</u></u>

See accompanying notes to financial statements

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Statement of Cash Flows  
Year Ended March 31, 2005**

Cash flows from operating activities	
HUD PHA operating grants	\$ 122,087
Interest	48
Total receipts	<u>122,135</u>
Administrative	24,358
Housing assistance payments	97,193
Total disbursements	<u>121,551</u>
Net cash provided by operating activities	584
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase in cash and cash equivalents	584
Cash and cash equivalents at beginning of year	5,636
Cash and cash equivalents at end of year	<u><u>\$ 6,220</u></u>
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ (794)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Accounts receivable	(203)
Accounts payable-HUD	1,581
Net cash provided by operating activities	<u><u>\$ 584</u></u>

See accompanying notes to basic financial statements.

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Notes to Financial Statements**  
**Year Ended March 31, 2005**

**1. Summary of Significant Accounting Policies**

Organization and History

The Myton City Housing Authority (the Authority) was established by Myton City and is certified by the U.S. Department of Housing and Urban Development (HUD). The purpose of the Authority is to administer programs under the Housing Act of 1937, as amended. The Section 8 Vouchers program is subsidized by the Federal Government through HUD.

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations Are Component Units,"* which describes those entities that are considered component units for financial reporting purposes. The Authority is not considered a component unit of Myton City (the City), or any other government entity under the criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, since the City exercises no oversight responsibility either financially or administratively over the Authority.

Basis of Presentation

In order to insure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. The Authority participates in HUD programs on an enterprise fund basis. All of the Authority's programs are accounted for as one business-type activity for financial reporting purposes and neither fiduciary funds nor component units that are fiduciary in nature are included. The financial statement presentation provides an indication of the financial performance of the Authority as a whole. In addition, the Authority adopts the budget that has been approved by its Board.

In accordance with HUD prescribed accounting practices, the Authority has adopted GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting."* The Authority has elected to apply all applicable FASB pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989. The Authority also elects to apply all FASB pronouncements after November 30, 1989 as long as they do not conflict with or contradict GASB pronouncements.

In June 1999, the GASB issued Statement No. 34, *"Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments."* This statement, known as the "Reporting Model" statement, affects the way the Authority prepares and presents financial information. GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments and had no impact on beginning net assets. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Notes to Financial Statements (continued)**  
**Year Ended March 31, 2005**

**1. Summary of Significant Accounting Policies (Continued)**

Basis of Presentation (continued)

**Management's Discussion and Analysis (new in the current year)** – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports and is included as required supplementary information.

**Balance Sheet** – The Balance Sheet is designed to display the financial position of the primary government (business-type activities). There are no discretely presented component units. Governments report all capital assets in the government-wide Balance Sheet and report depreciation expense – the cost of "using up" capital assets – in the Statement of Revenues, Expenses and Changes in Net Assets. There is no infrastructure. The net assets of the Authority will be broken down into three categories – 1) invested in capital assets, net of related debt, 2) restricted net assets, and 3) unrestricted net assets.

**Statement of Cash Flows** – The direct method is required by GASB Statement No. 34.

Basis of Accounting

The Authority's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under the accrual basis, revenues are recorded when earned and expenses are recorded when incurred. Revenues that have been received but not earned before the fiscal year end are recorded as deferred revenues.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are intergovernmental revenues. Operating expenses include administration, maintenance, insurance, depreciation, utilities, and housing assistance payments. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. This includes interest income and interest expense amounts, not discussed above.

Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At March 31, 2005, cash and cash equivalents consists of cash and investments - PTIF.

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Notes to Financial Statements (continued)**  
**Year Ended March 31, 2005**

**1. Summary of Significant Accounting Policies (Continued)**

Fixed Assets

Fixed assets are carried at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of 5-7 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and improvements are capitalized as fixed assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Pronouncements

In March 2003, the GASB issued GASBS No. 40, "*Deposit and Investment Risk Disclosures*". The provisions of this Pronouncement are effective for reporting periods beginning after June 15, 2004 and requires certain disclosures of component units and investment accounts. The Authority does not believe that the adoption of this pronouncement will have a material effect on its financial statements.

**2. Deposits and Investments**

Deposits – Utah State law requires that the Authority's deposits be made with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any financial institution that has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of capital that an institution must maintain to be eligible to accept public funds.

At March 31, 2005, the carrying amount of the Authority's bank deposits was \$3,925, and the bank balance was \$5,208. Of the bank balance, \$5,208 was covered by federal depository insurance. There were no deposits that were not insured or collateralized.

The Authority's deposits are categorized to give an indication of the level of risk assumed at March 31, 2005. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Authority or its agent in the Authority's name.



**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Notes to Financial Statements (continued)  
Year Ended March 31, 2005**

**2. Deposits and Investments (continued)**

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 - Uncollateralized and uninsured

Deposits at March 31, 2005, categorized by level of risk, are as follows:

	Bank Balance	Category			Carrying Amount
		1	2	3	
Deposits with financial institutions	\$ 5,208	\$ 5,208	\$ -	\$ -	\$ 3,925
Totals	<u>\$ 5,208</u>	<u>\$ 5,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,925</u>

**Investments**

The Authority's investment policies are governed by state statutes and HUD regulations.

The Authority's investments are categorized to give an indication of the level of risk assumed by the Authority at March 31, 2005. The categories are described as follows:

Category 1 - Insured or registered, or securities held by the Authority or its agent in the Authority's name.

Category 2 - Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Authority's name.

Category 3 - Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Authority's name.

At March 31, 2005, the Authority's only investment was the Utah Public Treasurers Investment Fund (PTIF), a cash management account, which is considered a cash equivalent. The fair value and carrying amount of the investment is \$2,295 and is not subject to risk categorization.

**3. Economic Dependency**

A substantial amount of the revenues received by the Authority during the year ended March 31, 2005, came from U.S. Department of Housing and Urban Development. Programs operated by the Authority depend upon continued funding by the U.S. Government.

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Notes to Financial Statements (continued)**  
**Year Ended March 31, 2005**

**4. Summary of Changes in Fixed Assets**

A summary of changes in fixed assets for the year ended March 31, 2005 is as follows:

	Balance <u>03/31/2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	Balance <u>03/31/2005</u>
Land	\$ 39,740	\$ -	\$ -	\$ -	\$ 39,740
Furniture & Equipment	<u>843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>843</u>
Total Fixed Assets	<u>\$ 40,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,583</u>

**5. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Various insurance policies have been purchased to cover the risks described above. The insurance policies require minimal deductible amounts which the Authority pays in the event of any loss. The Authority also has purchased a workers' compensation policy. Settled claims resulting from losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Authority's customers are primarily low-income rental tenants in the Roosevelt area that may be affected by changing economic conditions. Management believes that its credit review procedures and tenant deposits have adequately provided for usual and customary credit-related losses. The Authority's policy for charging off tenant receivables is to consider write-down of receivables extending beyond 120 days after significant collection efforts have been made or when the financial condition of tenants warrant charge-off. Tenant receivables are determined to be past due after 30 days regardless of whether partial payments have been received.

**Supplementary Schedules**

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Financial Data Schedule I – Balance Sheet  
March 31, 2005**

PHA: UT029 FYED: 03/31/2005				
Line Item No.	Account Description	Housing Choice Vouchers	Total	
111	Cash - Unrestricted	\$3,925	\$3,925	
100	Total Cash	\$3,925	\$3,925	
125	Accounts Receivable - Miscellaneous	\$203	\$203	
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	
128.1	Allowance for Doubtful Accounts - Fraud	\$0	\$0	
120	Total Receivables, net of allowances for doubtful accounts	\$203	\$203	
131	Investments - Unrestricted	\$2,295	\$2,295	
143.1	Allowance for Obsolete Inventories	\$0	\$0	
150	Total Current Assets	\$6,423	\$6,423	
161	Land	\$39,740	\$39,740	
164	Furniture, Equipment & Machinery - Administration	\$843	\$843	
165	Leasehold Improvements	\$0	\$0	
166	Accumulated Depreciation	\$-843	\$-843	
160	Total Fixed Assets, Net of Accumulated Depreciation	\$39,740	\$39,740	
180	Total Non-Current Assets	\$39,740	\$39,740	
190	Total Assets	\$46,163	\$46,163	

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Financial Data Schedule I – Balance Sheet (continued)**  
**March 31, 2005**

PHA: UT029 FYED: 03/31/2005		Account Description	Housing Choice Vouchers	Total
Line Item No.				
312		Accounts Payable <= 90 Days	\$898	\$898
331		Accounts Payable - HUD PHA Programs	\$3,907	\$3,907
310		Total Current Liabilities	\$4,805	\$4,805
350		Total Noncurrent Liabilities	\$0	\$0
300		Total Liabilities	\$4,805	\$4,805
508		Total Contributed Capital	\$0	\$0
508.1		Invested in Capital Assets, Net of Related Debt	\$39,740	\$39,740
511		Total Reserved Fund Balance	\$0	\$0
511.1		Restricted Net Assets	\$0	\$0
512.1		Unrestricted Net Assets	\$1,618	\$1,618
513		Total Equity/Net Assets	\$41,358	\$41,358
600		Total Liabilities and Equity/Net Assets	\$46,163	\$46,163

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Financial Data Schedule II – Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended March 31, 2005**

PHA: UT029 FYED: 03/31/2005

Line Item No.	Account Description	Housing Choice Vouchers	Total
705	Total Tenant Revenue	\$0	\$0
706	HUD PHA Operating Grants	\$122,087	\$122,087
711	Investment Income - Unrestricted	\$48	\$48
700	Total Revenue	\$122,135	\$122,135

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Financial Data Schedule II – Statement of Revenues, Expenses  
and Changes in Net Assets (continued)  
Year Ended March 31, 2005**

PHA: UT029 FYED: 03/31/2005

Line Item No.	Account Description	Housing Choice Vouchers	Total
912	Auditing Fees	\$3,800	\$3,800
913	Outside Management Fees	\$19,645	\$19,645
916	Other Operating - Administrative	\$912	\$912
969	Total Operating Expenses	\$24,357	\$24,357
970	Excess Operating Revenue over Operating Expenses	\$97,778	\$97,778
973	Housing Assistance Payments	\$98,571	\$98,571
900	Total Expenses	\$122,928	\$122,928
1010	Total Other Financing Sources (Uses)	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-793	\$-793

**Myton City Housing Authority**  
**dba Housing Authority of the Uintah Basin**  
**Financial Data Schedule II – Statement of Revenues, Expenses**  
**and Changes in Net Assets (continued)**  
**Year Ended March 31, 2005**

PHA: UT029 FYED: 03/31/2005

Line Item No.	Account Description	Housing Choice Vouchers	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0
1103	Beginning Equity	\$42,151	\$42,151
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$116,906	\$116,906
1114	Pro rata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$26,795	\$26,795
1116	Total Annual Contributions Available	\$143,701	\$143,701
1120	Unit Months Available	396	396
1121	Number of Unit Months Leased	369	369



# Child, Sullivan & Company

Professional Corporation of CERTIFIED PUBLIC ACCOUNTANTS

## PROFESSIONALS:

Cami Carlson  
Kristina Chamberlain  
Rich Egan, CPA  
Keri Griffone  
Nathan Johansen  
John Larsen  
Shelly McNamara  
Natalie Murphy

## **Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Myton City Housing Authority  
Myton, Utah

We have audited the financial statements of the business activity and major fund of the (the Authority) as of and for the year ended , which collectively comprise the Authority's basic financial statements and have issued our report thereon dated . That report noted that the Authority implemented Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" for the year ended . We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Board of Commissioners  
Myton City Housing Authority

This report is intended solely for the information of the audit committee, Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Child, Sullivan & Company*

Child, Sullivan & Company  
Kaysville, Utah  
October 5, 2005

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Schedule of Findings and Questioned Costs (continued)  
Year Ended March 31, 2005**

**Section II-Financial Statement Findings and Questioned Costs**

No matters were reported for the fiscal year ended March 31, 2005.

**Section III-Federal Award Findings and Questioned Costs**

No matters were reported for the fiscal year ended March 31, 2005.

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Schedule of Findings and Questioned Costs - Prior Year  
Year Ended March 31, 2005**

No matters were reported for the year ended March 31, 2004.

# Child, Sullivan & Company

Professional Corporation of CERTIFIED PUBLIC ACCOUNTANTS

**Myton City Housing Authority  
dba Housing Authority of the Uintah Basin  
Independent Auditors' Report on State Legal Compliance  
Year Ended March 31, 2005**

PROFESSIONALS:  
Cami Carlson  
Kristina Chamberlain  
Rich Egan, CPA  
Keri Griffone  
Nathan Johnson  
John Larsen  
Shelly McNamara  
Natalie Murphy

Board of Commissioners  
Myton City Housing Authority  
Myton, Utah

We have audited the financial statements of the Myton City Housing Authority (the Authority), for the year ended March 31, 2005, and have issued our report thereon dated October 5, 2005. Our audit included test work on the Authority's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

Cash Management  
Other Compliance Requirements

The Authority did not receive any major or nonmajor State grants during the year ended March 31, 2005.

The management of the Authority is responsible for the Authority's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Authority complied, in all material respects with the general compliance requirements identified above for the year ended March 31, 2005.

*Child, Sullivan & Company*

Child, Sullivan & Company  
Kaysville, UT  
October 5, 2005

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